

D.P.U. 94-10A

Application of Massachusetts Electric Company:

(1) under the provisions of G.L. c. 164, § 94G 1/2 and the Company's tariff, M.D.P.U. No. 528, for approval by the Department of Public Utilities of a change in the quarterly oil conservation adjustment charge to be billed to the Company's customers pursuant to meter readings in the billing months of April, May, and June 1994.

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APPEARANCES: David J. Saggau, Esq.  
New England Power Service Company  
25 Research Drive  
Westborough, Massachusetts 01582-0005  
FOR: MASSACHUSETTS ELECTRIC COMPANY  
Applicant

I. INTRODUCTION

On March 2, 1994, pursuant to G.L. c. 164, § 94G 1/2, Massachusetts Electric Company ("Company") notified the Department of Public Utilities ("Department") of the Company's intent to file a quarterly change to its oil conservation adjustment charge in conformance with its tariff, M.D.P.U. No. 528.<sup>1</sup> The Company requested that this change be effective for bills issued pursuant to meter readings for the billing months of April, May, and June 1994. The matter was docketed as D.P.U. 94-10A.

Pursuant to notice duly issued, a public hearing on the Company's application was held on March 25, 1994, at the Department's offices in Boston<sup>2</sup>. Notice of the hearing was published in the Boston Herald, Worcester Telegram, Lynn Item, Lawrence Eagle-Tribune, Berkshire Eagle, Springfield Daily News, and the Patriot Ledger. The Company also complied with the requirement to mail a copy of the notice of the hearing to all persons with whom the Company has special retail contracts that do not incorporate a filed rate, and to all intervenors and their respective counsel from the Company's prior two fuel charge proceedings. No petitions for leave to intervene were filed.

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<sup>1</sup> The oil conservation adjustment charge is intended to be an incentive for investor-owned electric companies to convert from oil-fired electric generation to coal-fired electric generation.

<sup>2</sup> For purposes of the hearing, the Company's fuel charge proceeding, D.P.U. 94-6A, was consolidated with this matter.

At the hearing, the Company sponsored two witnesses: Colleen M. Gardner, senior rate analyst, New England Power Service Company ("NEPSCo"), and Pamela Donaroma, rate analyst, NEPSCo. The evidentiary record consists of one exhibit submitted by the Company.

MECo, a wholly owned subsidiary of New England Electric System ("NEES"), serves on average 906,036 customers in its service territory, which includes over 146 cities and towns located predominately in northeast and central Massachusetts. NEES's other subsidiaries, affiliates of MECo, include New England Power Company ("NEP"); Granite State Electric Company in New Hampshire; Narragansett Electric Company in Rhode Island; NEPSCo, which provides engineering, technical, and other services for NEES companies; and New England Energy, Inc. MECo purchases all of its power requirements at wholesale from NEP pursuant to rates regulated by the Federal Energy Regulatory Commission. MECo does not own or operate any generating units.

## II. OIL CONSERVATION ADJUSTMENT CHARGE

On March 15, 1994, the Company filed with the Department its proposed changes to its oil conservation adjustment charge for April, May, and June 1994. For these billing months, the Company proposes an oil conservation adjustment charge of \$0.00121 per kilowatthour ("KWH"). The proposed oil conservation adjustment charge is \$0.00012 per KWH more than the oil conservation adjustment charge of \$0.00109 per KWH approved by the Department

in Massachusetts Electric Company D.P.U. 93-10D (1993) for meter readings for the billing months of January, February, and March 1994.

Ms. Gardner stated that the increase primarily can be attributed to two factors. First, the Company estimates an undercollection of revenues of \$227,362 through March, 1994 as compared with an underrecovery of revenues of \$4,193 going into the first quarter 1994 (Exh. M-2, at 4-5). Second, the Company expects the ratio of purchases to sales to be lower during the second quarter 1994 than during the first quarter 1994<sup>id.</sup>; Tr. at 15-16).

### III. FINDINGS

Based on the foregoing, the Department finds:

1. that the oil conservation adjustment charge to be applied to Company bills issued pursuant to meter readings for the billing months of April, May, and June 1994, shall be \$0.00121 per KWH. The calculation of the oil conservation adjustment charge is shown in Table 1 attached to this Order.

### IV. ORDER

Accordingly, after due notice, hearing, and consideration, it is

ORDERED: That Massachusetts Electric Company is authorized to put into effect a quarterly oil conservation adjustment charge of \$0.00121 per KWH as set forth in Section III, Finding 1 of this Order for bills issued pursuant to meter readings for the

billing months of April, May, and June 1994, subject to refund; and it is

FURTHER ORDERED That the oil conservation adjustment charge approved herein shall apply to all kilowatthours sold to the Company's customers subject to the jurisdiction of the Department and shall be itemized separately on all such customers' electric bills; and it is

FURTHER ORDERED That the Company shall maintain all oil conservation adjustment records for the Department's inspection as ordered in D.P.U. 865 and D.P.U. 866-A.

By Order of the Department,